CHLA COMMUNITY HOME LENDERS of AMERICA

January 2026

CHLA 2025 REPORT ON INDEPENDENT MORTGAGE BANKS (IMBs)

Leading the Market in Mortgage Loans for First-time, Minority, and Other Underserved Borrowers

Community Oriented | Consumer Focused

Small Businesses with no Taxpayer Backstop

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A Note to CHLA Members and the Public

The Community Home Lenders of America (CHLA) is pleased to release this year's annual report on independent mortgage banks (IMBs).

*CHLA is the **only** national association that exclusively represents IMBs. Our members are small and mid-sized community-oriented IMBs that originate, securitize or sell, and service affordable single family mortgage loans.*

Each year CHLA publishes our IMB Report, to inform the public, the press, Congress, and federal officials about IMBs. Following are highlights as we head into 2026:

- **IMBs originate 84% of all single-family mortgage loans**
  [90% of FHA loans. 95% of VA loans. 95% of Ginnie Mae issuance. 75% of GSE loans]

- **IMBs outperform banks in loans to minorities, other underserved borrowers.**

- **IMB mortgage loans have stronger consumer protections than bank loans.**

- **IMBs (particularly smaller ones) have almost no taxpayer or systemic risk.**

- **2025 was a year of public policy successes for IMBs: Fannie/Freddie increased MBS purchases (lowering mortgage rates); Congress reined in trigger leads; FHA and CFPB streamlined burdensome regulations; the SALT cap was raised to $40,000; and the small business deduction was made permanent.**

- **2026 is a critical year for Washington to support IMBs and mortgage markets.**

- **Washington should prioritize entry level homeownership - by focusing on FHA, VA, and RHS and on affordable loans for condos and manufactured homes.**

- **A Fannie Mae/Freddie Mac conservatorship exit must protect small IMBs, with G Fee parity, a full competitive cash window, no Wall Street Bank charters, maintaining critical loan products, a Utility Model to constrain pricing and risk.**

- **Congress or the CFPB should the restore LO Comp rule to its original purpose of ending yield spread premiums, by limiting it to transactions between firms.**

- *To those in Washington that make public policy, we urge you to take the time to read this report, factoring it into the decisions you make.*
- *To IMBs that are not CHLA members, we urge you to join our cause and our fight for policies that support IMBs' strong mortgage access to credit record.*

Taylor Stork
President, CHLA

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IMBs Dominate Mortgage Lending – A Statistical Analysis

IMBs are <u>THE</u> dominant force in mortgage lending, originating 84.1% of all single family loans.

ALL MORTGAGE LOANS: **84% Market Share**

- ***Nonbanks (IMBs) originate 84.1% of all mortgage loans, as of November 2025.***
  [Source: **December 2025 Urban Institute Monthly Chartbook**- page 13].

FHA MORTGAGE LOANS: **90% Market Share**

- ***The nonbank (IMB) share of FHA loans increased from 57% in 2010 to 90% in 2025.***
  [Chart - page 13]. [Also see: **FHA Annual Report for Fiscal Year 2025**– Page 40]

- ***"FHA mortgage insurance . . . makes credit available to borrowers whom the conventional market does not adequately serve, including first-time homebuyers, minorities, lower-income families and residents of underserved areas (central cities and rural areas).***
  [Source: Fiscal Year 2025 Federal Budget Appendix (OMB) - page 552].

- ***74% of FHA loans are for home purchase – and 83% of these are for first-time homebuyers.***
  [Source: **FHA Annual Report for Fiscal Year 2025** *– Pages 105 & 106].*

VA MORTGAGE LOANS: **95% Market Share**

- ***The nonbank (IMB) share of VA mortgage loan origination is 95.5%, as of November 2024.***
  [Source: ***December Ginnie Mae Global Markets Analysis Report*** *- page 37].*

- VA loans are 0% down mortgage loans for our nation's veterans and active-duty personnel.

GINNIE MAE SECURITIES**:** **95% Market Share**

- ***The nonbank (IMB) share of Ginnie Mae issuance soared from 12% in 2010 to 94.6% in 2025.***
  [See Chart - page 13]. *[Also:* ***December Ginnie Mae Global Markets Analysis Report*** *- page 37].*

- This reflects both the strong growth in the IMB share of FHA, VA, and RHS loan originations and IMBs replacing banks as the dominant aggregators/Ginnie Mae issuers over the period.

- Ginnie Mae facilitates a secondary market for FHA, Rural Housing Service (RHS) and Veterans Administration (VA) mortgage loans through the issuance of Ginnie Mae securities.

FANNIE MAE AND FREDDIE MAC LOANS**:** **75% Market Share**

- ***Fannie Mae: Nonbanks (IMBs) originate 75.0% of Fannie Mae loans, as of December 2025.***
  [Source: **December 2025 Urban Institute Monthly Chartbook** – page 13].

- ***Freddie Mac: Nonbanks (IMBs) originate 76.5% of Freddie Mac loans, as of December 2025.***
  [Source: **December 2025 Urban Institute Monthly Chartbook** - page 13].

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A Tribute to CHLA Co-Founder Bill Giambrone

14 years ago, Bill Giambrone, Don Calcaterra, Jr., and David Wind had an idea. Washington has associations for just about everything. So why shouldn't there be one that exclusively represents Independent Mortgage Banks (IMBs) - non-bank mortgage lenders on the cusp of becoming **the** dominant force in mortgage lending.

To some, that idea seemed– to use Bill Giambrone's favorite expression – *"laughable."* But Bill persevered and the Community Home Lenders Association (CHLA) was born. In 2022 CHLA merged with the Community Mortgage Lenders of America (CMLA) to form a strengthened Community Home Lenders of America (CHLA).

Sadly, Bill Giambrone passed away in 2024. Bill was such an industry force and played such a critical role in the development and effectiveness of CHLA that it seems fitting to pay tribute to him in this IMB Report.

The period since CHLA was founded have witnessed a remarkable growth in IMBs, with IMB market share skyrocketing to 84% of all mortgages and with IMBs outperforming banks in loans to underserved borrowers.

Bill Giambrone was at the forefront of this growth. As President of CHLA, Bill led the fight on so many IMB victories – like cutting FHA premiums, Fannie/Freddie G Fee parity, transitional licensing, and fighting regulatory overreach. Bill also forcefully challenged the myths perpetrated by many that IMBs were risky.

When Congress threatened to enact the Corker/Warner bill, a bill detrimental to smaller IMBs, Bill testified before the Senate Banking Committee, rallying other small lender groups to oppose flawed proposals like giving Wall Street banks a GSE charter. Bill's efforts paid off. The bill - and its flawed provisions - died.

Let's hear from the individuals that worked with Bill at CHLA and knew him best:

Don Calcaterra, Jr., CHLA Co-Founder:
"Amidst the chaos of the Great Recession, Bill saw with clarity and deep conviction what was needed. He brilliantly condensed issues and coalesced others around strategies to ensure that Washington understood the critical role that local, independent lenders play in the housing industry. Bill's efforts laid the foundation for the leading role CHLA now has in facilitating a regulatory environment in which IMBs can meet the needs of their communities."

David Wind, CHLA Co-Founder:
"Bill embodied the energy that IMBs bring to consumer finance. He was quick with a smile, a good friend, and an absolute professional. He is sorely missed."

Lee Gross, former President and CEO of Platinum Home Mortgage
Bill Giambrone was a strategic architect of ideas, with an ability to think deeply about the evolution of the financial services industry and turn complexities into compelling narratives. He did not react to change, he anticipated it - leading and inspiring people with a quiet confidence toward a shared vision of the future. His voice will be sorely missed, but his vision will live on.

Scott Olson, Current CHLA Executive Director:
"Bill had a plan to empower IMBs as a force in Washington. Equally important, he had the determination and skills to make that plan a reality through his ceaseless efforts at CHLA."

CHLA COMMUNITY HOME LENDERS of AMERICA

TABLE OF CONTENTS
2025 CHLA IMB Report

INTRODUCTION

A Note to CHLA Members and the Public

IMBs Dominate Mortgage Lending – A Statistical Analysis

A Tribute to CHLA Co-Founder Bill Giambrone

HIGHLIGHTS

1 Executive Summary – Developments over Past Year

2 CHLA Policy Positions and Priorities for 2026

3 2025 Public Policy Advocacy Successes for IMBs

4 Focus on Entry Level Homeownership in 2026

5 Regulatory Policies Should Put Consumers First

6 A GSE Conservatorship Exit Must Protect Smaller Lenders

NARRATIVE - INDEPENDENT MORTGAGE BANKS

8 What are Independent Mortgage Banks

9 IMBs Lead in Affordable Mortgage Loans to Minorities, Underserved Borrowers

10 IMB Mortgage Loans Have Stronger Consumer Protections than Bank Loans

11 Demolishing the Myth that IMBs Are Risky

CHARTS

13 IMB Market Share of Single-Family Mortgage Originations

14 IMB Market Share of FHA Single Family Mortgage Origination

15. IMB Market Share of the Ginnie Mae Issuance

16. Regulatory Comparison: Non-bank (IMB) Mortgage Lenders Vs. Banks

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EXECUTIVE SUMMARY – DEVELOPMENTS OVER PAST YEAR

Following is a summary of the current state of homeownership, mortgage trends, and the increasingly dominant role independent mortgage banks (IMBs) play in fostering affordable homeownership opportunities:

- **A November 2025 NAR release revealed sobering homeownership statistics:**
  (1) The typical age of first-time homebuyers climbed to an all-time high of 40 years.
  (2) The share of first-time homebuyers dropped to a record low of 21%.

- **Harvard's 2025 State of the Nation's Housing cites a *"worsening affordability crisis"***
  (1) Home prices are up 60 percent since 2019 - 5 times median household income.
  (2) As prices rose, existing home sales dropped to a 30-year low.
  (3) Mortgage payments on a median-priced home are 40 percent higher than 1990.

- **30-year mortgage rates have declined from their peak of 7% a year ago to 6% now – helping homeownership affordability and enabling some borrowers to refinance.**

- **IMBs continued their steady progress since the 2008 Housing Crisis to become the dominant source of mortgage loan origination and servicing (see Report statistics)**

- **IMBs enter their 4th year of consolidation since the refi market collapse due to a doubling of mortgage rates- right-sizing lender capacity with mortgage loan demand.**

- **Washington has never been so focused on housing – with Congressional legislative action (Senate "The Road to Housing Act" and House "Housing for the 21st Century Act") and the President announcing housing initiatives in January 2026 at Davos.**

- **Trump Administration agencies (FHA, FHFA, and CFPB) have taken a number of actions to streamline regulations that had added cost but little consumer protection.**

- **Notably, the CFPB has pursued staffing level reductions of 90% – shifting IMBs' regulatory focus to the states, which have always been their primary regulator.**

- **The Trump Administration has signaled its intention to take Fannie Mae and Freddie Mac out of the conservatorship they have been in since September 2008.**

- **FHFA Director Pulte has focused on borrower affordability – taking steps to boost housing production, calling for lower LLPAs, and calling out FICO's huge fee hikes.**

- **Consumers won a big victory in 2025, with Congress acting to rein in abusive trigger leads, ending a barrage of calls, texts, and emails when a loan application is taken.**

- **More action is needed to rein in the 1,400% FICO credit score price increases over the last 3 years - through public pressure and viable alternatives like VantageScore.**

- **Technological developments are rapidly changing how mortgages are originated - the most significant being the recent emergence of Artificial Intelligence (AI).**

- **Sustained, effective federal advocacy on behalf of IMBs is critical to ensure policies that help IMBs continue their strong record of meeting homebuyer mortgage needs.**

CHLA Policy Positions and Priorities for 2026

FEDERAL HOUSING ADMINISTRATION (FHA)

- **FHA Should Insure Loans in Condo Projects Approved by the GSEs.** FHA should insure condo loans in projects approved by Fannie and Freddie – and streamline the FHA project approval process.
- **CHLA FHA Modernization Plan.** (1) Update Information Technology (IT). (2) Pay Scale Comparability. (3) Flexible Contracting Authority. (4) Allow use of receipts for actions that reduce FHA risk or losses.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GINNIE MAE)

- **Liquidity Backstop.** Expand PTAP program as a standby liquidity facility - funded with Federal Reserve TALF funds - to reduce Ginnie Mae risk, increase warehouse lender confidence, enhance IMB liquidity.
- **Housing Policy Council (HPC) Ginnie Mae Bifurcation Proposal.** Ginnie Mae should implement the HPC proposal to enhance warehouse lending by facilitating stand-alone financing of servicing advances.
- **Pool Flexibility.** Allow Ginnie Mae loan level pooling, along with other pooling flexibilities.
- **CHLA Ginnie Mae Modernization Plan.** (1) Full funding of salaries/administrative expenses. (2) Pay Scale Comparability. (3) Flexible Contracting Authority. (4) Ongoing commitment to broad issuer base.

FANNIE MAE AND FREDDIE MAC (FHFA)

- **End Fannie Mae, Freddie Mac Conservatorships – with Essential Small Lender Protections.** (1) G Fee parity. (2) Cash window competitive with securitization pricing. (3) No GSE charters for Wall Street Banks. (4) Maintain all mortgage products. (5) Utility model to restrain G Fees & excessive risk.
- **End LLPAs for Entry Level Housing:** Rescind: (1) 75 BP LLPA for condos, (2) 50 PB LLPA for manufactured home loans, and (3) 50 to 275 BP LLPA for entry level loans in high cost areas.

FEDERAL MORTGAGE PROGRAM FEES SHOULD BE BASED ON ACTUARIAL RISK

- **End FHA Life of Loan Premiums.** FHA premiums should cease at 78% LTV – to avoid fee overcharging.
- **No VA Mortgage Fee Offsets.** VA mortgage fees should not be raised to pay for non-housing spending.
- **No G Fee Budget Offsets.** The 10 Basis point GSE fee to fund nonhousing spending should be repealed.

TAX POLICIES

- **CHLA Starker Exchange for Down Payment Gifts to Children and Grandchildren.** Allow deferral of capital gains for funds gifted to child or grandchild for a down payment on first-time home purchase.
- **Make 401(k) Loans for Down Payments More Flexible.** (1) Extend the maximum loan term from 15 to 30 years. (2) Allow interest rate as low as the mortgage rate. (3) No prepayment required with job loss.

LO COMP REFORM

- **Congress or CFPB Should Limit Applicability of LO Comp Restrictions to Transactions Between Firms.**
- This would restore the original intent of the LO Comp statute (to end Yield Spread Premiums) and help borrowers: (1) In competitive situations, (2), on HFA bond loans, and (3) on loans IMBs broker out.

REJECT CALLS TO EXTEND CRA OR CRA-LIKE REQUIREMENTS TO IMBs

- **States Should Not Adopt CRA for IMBs.** Imposing CRA requirements on IMBs is neither appropriate nor necessary – and it disincentivizes IMBS to lend in a state (per the actual impact in Massachusetts).
- **The CFPB Should Not Adopt a Backdoor CRA for IMBs.** The CFPB should not use ECOA or fair housing laws to dictate where IMBs locate branch offices or how to conduct their business marketing.

CHLA HOMEBUYER MORTGAGE BILL OF RIGHTS

1. The Right to Real Competition in the Pricing of FICO Credit Scores.
2. The Right to Robust Third-Party Mortgage Service Provider Competition to bring down mortgage closing costs – in credit reports, employment verification, and origination software services (LOS).
3. The Right to Obtain a Mortgage Loan Through a Qualified, Fully Licensed Mortgage Loan Originator.

REGUALTORY BALANCE FOR SMALLER IMBs

- **Streamline state IMB exams.** States should do streamlined multi-state exams of IMBs, ending duplication in multiple states that put small IMBs at a competitive disadvantage.
- **Tiered CFPB Regulation for Smaller IMBs.** Tier CFPB regulation by an IMB's size, volume, and risk.
- **Federal Preemptive Artificial Intelligence (AI) Standards.** Congress should pass last year's House tax provision creating a 10-year moratorium on state AI rules, to augment the President's Executive Order.

2025 Public Policy Advocacy Successes for IMBs

The year 2025 witnessed a number of important public advocacy policy successes for IMBs in Washington.

CONGRESS ENACTED LEGISLATION TO REIN IN ABUSIVE TRIGGER LEADS

- The law ends a barrage of abusive text, phone, and email mortgage solicitations that follow mortgage applications, by limiting shared information to the original lender, servicer, or current credit provider.

PRESIDENT TRUMP ORDERS FANNIE, FREDDIE TO BUY MBS, WHICH BRINGS DOWN MORTGAGE RATES

- A directive by President Trump orders Fannie Mae and Freddie Mac to increase mortgage portfolio purchases, creating more demand and a psychological market lift – reducing spreads over Treasuries.

THE ONE BIG, BEAUTIFUL BILL (TAX ACT) RESTORES TAX DEDUCTIONS INCENTIVIZING HOMEOWNERSHIP

- The enacted 2025 tax bill significantly raised the State and Local Tax (SALT) deduction cap from $10,000 to $40,000/$20,000, lowering the after tax cost of owning a home for homeowners.
- The same tax bill made permanent the 20% small business tax deduction (Qualified Business Income).

THE CFPB ELIMINATED REDUNDANT, BURDENDOME IMB REGULATIONS THAT SERVE NO CONSUMER BENEFIT

- The CFPB terminated the *"offender registry"* requirement – a 212 page rule that created burdensome paperwork submission requirements that largely duplicate what the NMLS already requires of IMBs.
- The CFPB killed a pending Form Contracts rule, a 223 page rule creating compliance burdens- ordering disclosures of waivers of consumer rights in form contracts that IMBs are not even allowed to waive.
- The CFPB criticized and unwound prior agency actions that amounted to *"regulation by enforcement."*

THE FEDERAL HOUSING ADMINISTRATION (FHA) STREAMLINED BURDENSOME, UNNECESSARY RULES

- Shortly after the Trump Administration took office, the FHA constructively streamlined FHA rules by:
  (1) Streamlining loss mitigation requirements that encourage excessive loss mitigation requests.
  (2) Rescinding excessive and ineffective appraisal bias requirements.
  (3) Allowing reimbursements to servicers for tax and insurance advances.
  (4) Delaying energy requirements for new homes, that discouraged borrowers from using FHA loans.

FANNIE MAE AND FREDDIE MAC TOOK A NUMBER OF CONSTRUCTIVE ACTIONS

- Fannie Mae eliminated a minimum FICO score from its Selling Guide.
- Freddie Mac allowed non-seller/servicers access to its list of approved condos.
- Fannie and Freddie continued progress in replacing repurchase demands with indemnifications.

PREEMPTION OF RESTRICTIVE ARTIFICIAL INTELLIGENCE (AI) RESTRICTIONS BY STATES

- President Trump's Executive Order sought to create uniform federal AI policies, by overriding state regulations that undermine use of AI, backed by compliance measures like a DOJ Litigation Task Force and a directive to FTC and Dept. of Commerce to develop federal standards to preempt state rules.

FHFA TEES UP A REVIEW OF LLPAs

- FHFA Director Pulte announced a review of Fannie/Freddie Loan Level Price Adjustments (LLPAs) - with a goal of reducing these add-on fees to make Fannie Mae, Freddie Mac loans more affordable.

FHFA PUTS BI-MERGE ON HOLD

- The Trump Administration FHFA put on hold the "bi-merge + VantageScore" model proposed by the prior FHFA Director - keeping Tri-Merge but giving lenders a choice between FICO and VantageScore.

VETERANS ADMINISTRATION (VA) REFORMS LOSS MITIGATION PROGRAMS

- In response to concerns about the VA loan loss mitigation abuses and problems, Congress enacted P.L. 119-31, the "**VA Home Loan Program Reform Act**".
- This law is designed to prevent repetitive loss mitigation requests for defaulted VA home loan borrowers, creating a more consistent approach in which VA pays lenders up to 25% (or 30% for COVID-era loans) of the past-due mortgage, creating a 0% interest, second lien to help borrowers avoid foreclosure, with repayment deferred until the home is sold, refinanced, or the loan matures.

FOCUS ON ENTRY LEVEL HOMEOWNERSHIP IN 2026

STATISTICS SHOW HOMEOWNERSHIP AFFORDABILITY IS A SIGNIFICANT CHALLENGE

A November 2025 **National Association of Realtors Release** revealed two sobering statistics:

(1) ***"The typical age of first-time buyers climbed to an all-time high of 40 years."***
(2) ***"The share of first-time home buyers dropped to a record low of 21%."***

Harvard's State of the Nation's Housing noted that prices have soared, making homeownership unaffordable:

- **"Home prices are up 60 percent nationwide since 2019 [and] the median existing single-family home price hit a new high of $412,500 in 2024. This is a shocking five times the median household income."**
- **"As prices rose, existing home sales dropped to a 30-year low."**
- **"Monthly mortgage payments on the median-priced home rose to . . . a record . . . 40 percent higher than . . . in 1990 and a buyer would need an annual income of at least $126,700 [to afford the home]**

CONDOMINIUM LOANS

- Condo home prices are more affordable than site built homes - in some areas as much as 50% lower.
- FHA should take action to arrest the steep decline in FHA condo loans – including streamlining the condo project approval process and insuring loans in condo projects approved by Fannie and Freddie.
- Federal mortgage loan programs should have balanced policies regarding condo management controls and insurance deductible levels, in response to surging homeowner insurance premiums.

MANUFACTURED HOME LOANS

- Since manufactured housing is the most affordable homeownership option, it should be a priority
- The average manufactured home prices is around $125,000 – vs. $400,000 for a site-built home.
- The average income for a manufactured home buyer is $61,000 – vs. $136,000 for a site-built home.
- The "Road to Housing" provision to end the requirement for a permanent chassis is a good start.
- But more focus is needed on financing. Although a majority of manufactured home loans are for personal property, there have been no FHA loans in 5 years and no Fannie/Freddie loans for 20 years.
- Fannie and Freddie should end the 50 basis point LLPA on real property manufactured home loans.
- Focus on local zoning impediments that deter new units, despite a HUD Code statutory preemption.

FEDERAL HOUSING ADMINISTRATION (FHA) MORTGAGE LOANS

- 83% of FHA forward loans are for first-time homebuyers.
- FHA insures loans to qualified borrowers with low down payment needs and minor credit blemishes.
- FHA's Capital Ratio in 2025 stood at 11.47% - almost 6 times their statutory minimum requirement.
- FHA should end Life of Loan premiums and cut annual premiums – justified by its strong finances.

VETERANS ADMINISTRATION (VA) MORTGAGE LOANS

- VA offers affordable zero down mortgages loans to veterans and active duty personnel.
- Congress should not raise loan fees above actuarially needed levels to fund non-housing VA spending.

RURAL HOUSING SERVICE (RHS) MORTGAGE LOANS

- RHS guaranteed loans offer 100% LTV financing, with no down payment for borrowers in rural areas.
- RHS should adopt Direct Endorsement authority, to allow RHS loans during government shutdowns.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GINNIE MAE OR GNMA) LOAN SECURITIZATION

- Ginnie Mae plays a critical secondary market role for FHA, VA, and RHS loans.
- IMBs, which issue 95% of Ginnie Mae MBS, are required to act as a banker to defaulted borrowers by making advances - but without the liquidity support banks have (FLHB advances, Fed window access).
- Since IMBs don't have these bank liquidity sources to make GNMA advances, Ginnie should adopt both the CHLA PTAP and the Housing Policy Council bifurcation of acknowledgement agreement proposals.
- Ginnie Mae should also allow pools of single loans, to increase flexibility and pricing for issuers.

FEDERAL HOME LOAN BANK (FHLB) ADVANCES

- The FHLBs should also make advances to banks collateralized by loans to IMBs - for servicing advances to IMBs for Ginnie Mae and Fannie/Freddie MBS and for warehouse pipeline loans to IMBs.

Regulatory Policies Should Put Consumers First

REINING IN TRIGGER LEADS WAS A GOOD FIRST START

- In September, the President signed into law P.L. 119-36, the "Homeowners Privacy Protection Act."
- The law culminated a multi-year industry effort promoted by CHLA and others to rein in abusive text, email, and phone solicitations consumers were inundated with after a mortgage application is pulled.
- The bill preserves, but limits, the ability to receive information about mortgage applications - to the original lender and current servicer on a loan, and to banks/credit unions with an existing relationship.
- Trigger lead restrictions are a good first start – but consumers taking out mortgage loans are plagued by a lack of competition in mortgage services that raise mortgage costs – and more action is needed.

LO COMP REFORM IS NEEDED

- The 2010 Dodd-Frank Loan Originator Compensation (LO Comp) legislation prohibited yield spread premiums (YSPs) – an anti-consumer practice in which banks and other aggregators created term sheets incentivizing mortgage brokers to deliver higher mortgage rates through higher broker fees.
- Unfortunately, the LO Comp rule went way beyond that – to create an unprecedented restriction on what lenders could pay their own LO employees – prohibiting any variations in loan compensation.
- These restrictions have harmed consumers in a number of ways, by: (1) making it difficult to match competing loan offers, (2) making low down payment State HFA bond deal loans uneconomical for many lenders, and (3) disincentivizing mortgage bankers to broker loans, which have lower margins.
- Congress and/or the CFPB should fix the problem by limiting LO Comp to payments **between** firms.

ALL LOAN ORIGINATORS SHOULD BE LICENSED (PASS SAFE ACT TEST, COMPLETE CONTINUING EDUCATION)

- The SAFE Act requires all non-bank mortgage loan originators (LOs) to be licensed – including passing the SAFE Act test, passing 20 hours of SAFE Act pre-licensing courses, passing an independent background check, and completing 8 hours of SAFE Act continuing education (CE) courses each year.
- In contrast, bank mortgage loan originators are exempt from **ALL** of these SAFE Act requirements.
- The CFPB should close this loophole, under their statutory directive that all LOs must be *"qualified."*
- Until this is done, LOs who have not passed the SAFE Act test should be required to disclose this fact.
- And no LO should be able to earn Dual Compensation (loan and realty fees) unless SAFE-act qualified.

ACTION IS NEEDED TO REIN IN RUNAWAY FICO CREDIT SCORE PRICE HIKES

- Fair Isaac (FICO) has increased the cost of credit scores by 1,400% in last 3 years, with the average tri-merge pull rising from $2 to $30. FICO can get away with this because they have a monopoly.
- These costs are passed through in the pricing of credit reports, and magnified because of low pull-through rates, with lenders absorbing some costs and passing the rest of the cost along to borrowers.
- FICO's pricing has been harshly criticized by lender groups like CHLA. While public criticisms of FICO have not had an impact to date, it is important to keep a public focus and transparency on pricing.
- FHFA Director Pulte has constructively called out FICO, calling for credit score reform. One constructive action to increase competition would be adoption of the ***VantageScore*** algorithm.
- Ultimately, Fannie Mae and Freddie Mac should assess the feasibility of creating their own credit score subsidiaries, to create more competition, which, if viable, could be developed and spun off.

CONCERNS EXIST ABOUT A SINGLE BUREAU CREDIT PULL OPTION

- While calls have emerged by some to move to a single bureau credit pull option – for high FICO conventional loan borrowers – there are a number of concerns about this proposal:
  (1) This approach only tries to mitigate damage instead of addressing the causes of runaway costs.
  (2) This approach could create disincentives to use FHA, VA, RHS loans for underserved borrowers.
  (3) This approach could result in score fishing – creating risks that could show up in loan pricing.
  (4) This approach could increase repurchase risk to lenders, from pulling only one credit report.
  (5) Any consumer benefits would be limited, because the focus would not be on 1st-time homebuyers.

A GSE Conservatorship Exit <u>Must</u> Protect Smaller Lenders

The Trump Administration has signaled its intention to take Fannie Mae and Freddie Mac out of conservatorship. In order to protect borrowers by maximizing competition and consumer choice, it is essential that this be done in a way that protects small lenders. An IMB sign-on letter in 2025 identified the key recommendation to achieve the goal of protecting smaller lenders – which are:

G FEE PARITY AND A COMPETITIVE CASH WINDOW

The first Trump Administration, acting through the FHFA, adopted a **PSPA Amendment** [see page 8 for language] that mandates G Fee Parity and a robust, fully competitive cash window.

G Fee parity precludes one of the most pernicious pre-2008 housing crisis practices - preferential pricing for large, reckless lenders like Countrywide and WaMu. A robust competitive cash window ensures that Fannie and Freddie purchase **all** qualified single family loans from **all** approved seller-servicers, at rates that are competitive with lender securitizations, with a lender option whether or not to retain servicing.

A conservatorship exit could create incentives to return to practices which unfairly favor mega-lenders.

Thus, the PSPA G Fee Parity/Cash Window provisions should be retained and incorporated to the strongest degree possible in the legal framework used for any GSE conservatorship exit.

NO WALL STREET BANK CHARTERS FOR GSE LOANS

During the last Congressional consideration of GSE reform, there was a push to permit GSE charters for large Wall Street Banks, like JP Morgan and BofA. This approach was abandoned when Senate Banking Committee hearings concluded this would harm small lenders. Competition should be at the mortgage origination level – and not at the level where a GSE guarantee is granted to a handful of mega-lenders.

New GSE charters should <u>not</u> be allowed, giving preferential treatment to a few mega-lenders. Nor should preferential treatment be given through mechanisms like up-front risk sharing or granting a few mega-lenders access to the Common Securitization Platform ("U.S. Fin-Tech").

KEEP FANNIE AND FREDDIE SEPARATE UNDER A UTILITY MODEL

Maintaining Fannie and Freddie as two separate GSEs is vital to competition and market accountability.

Fannie and Freddie should not be combined into a market monopoly. Further, the GSEs should operate under a Utility Model with authority to cap excessive G Fees or bar unduly risky loans.

THE GSES SHOULD MAINTAIN CRITICAL MORTGAGE LOAN PRODUCTS

Stockholder earnings pressures after a GSE exit from conservatorship could create incentives for Fannie and Freddie to abandon critical lower volume mortgage loan products due to lower loan revenue potential.

The GSEs should maintain critical mission-based mortgage loan products - for condominiums, second homes, manufactured homes, investor-owned homes, and homes in rural areas.

THE GSES SHOULD PURCHASE MBS TO LOWER MORTGAGE RATES

High mortgage rates are the top barrier to first-time homeownership. The President has directed Fannie Mae and Freddie Mac to increase its purchases and holdings of Mortgage Backed Securities (MBS).

Fannie Mae and Freddie Mac should continue purchases of MBS to cut mortgage rates - as long as mortgage rates remain at historically high margins over 10-year Treasuries.

NARRATIVE - INDEPENDENT MORTGAGE BANKS

What Are Independent Mortgage Banks

What IMBs Are

- IMBs are non-bank firms that underwrite, originate, close, and service mortgage loans.
- IMBs largely originate federal agency loans (FHA, VA, RHS, Fannie Mae, Freddie Mac) and then securitize (retaining servicing) or sell to the Fannie/Freddie cash window, or sell them to aggregators.
- IMBs fund their operations with their own capital and with loans from warehouse banks.
- Small and mid-sized IMB owners have "skin in the game" - with their own net worth at risk.

What IMBs are Not

- **IMBs are Not Wall Street.** It was large Wall Street banks – not small or mid-sized IMBs - that created the risky mortgage-backed securities (MBS) that caused the 2008 housing crisis.
- **IMBs are Generally Not Portfolio Lenders.** The great majority of mortgage loans that IMBs originate are federal agency mortgage loans (FHA, RHS, VA, Fannie Mae, and Freddie Mac). This reduces risk.
- **IMBs are Not Mortgage Brokers.** IMBs close loans with their own funds - and are financially accountable for underwriting errors through FHA indemnifications and Fannie/Freddie reps and warrants.

IMBs Are Not Taxpayer Insured or Otherwise Backstopped

- Bank deposits are backstopped by federal taxpayers through the FDIC. **IMBs are not.**
- Banks access government sponsored Federal Home Loan Bank advances. **IMBs do not.**
- Banks have access to cheap federal funds through the Federal Reserve. **IMBs do not.**

IMBs Focus on Loans to Minorities, Underserved Borrowers in all Business Cycles

IMBs' sole business is mortgage lending and servicing - not cross selling financial products to well-heeled customers, a large bank priority. When many banks left mortgage lending or imposed credit overlays after the 2008 crisis, IMBs ramped up lending, focusing on minorities and underserved borrowers.

IMB Owners Are Personally Liable for Underwriting Errors, Financial Performance.

Unlike too-big-to-fail bank executives who are shielded from the consequences of poor mortgage underwriting or financial performance, IMB owner/executives bear the direct financial impact of an FHA indemnification or GSE loan buyback, as well as the firm's broader financial performance.

Small/Mid-sized IMBs Pose Little Taxpayer or Systemic Risk; Are Highly Regulated

Small and mid-sized IMBs pose no systemic risk and little taxpayer risk. IMBs are:
(1) regulated by each state in which they do business,
(2) regulated by the CFPB (unlike 97% of banks),
(3) subject to SAFE Act licensing requirements (unlike banks),
(4) (if an FHA lender) subject to Net Worth and Quality Control requirements,
(5) (if a Ginnie Mae issuer or GSE seller-servicer) supervised and subject to Net Worth, liquidity requirements,
(6) subject to all federal and state mortgage regulations.

Significant Differences Exist between Small and Large IMBs

Smaller, community oriented IMBs differ from large IMBs (as well as from large banks) in key ways:

(1) Smaller IMBs pose little or no systemic risk or taxpayer risk if they go out of business.
(2) Smaller IMBs tend to grow organically and have less complex financial structures.
(3) Smaller IMBs have a more personalized relationship with their mortgage borrowers.
(4) Smaller IMBs are the true small businesses in the mortgage loan/servicing business.

CHLA advocates for federal mortgage policies that reflect these fundamental differences between community-based small/mid-sized IMBs and mega-IMBs.

IMBs Lead in Affordable Mortgage Loans to Minorities, Underserved Borrowers

URBAN INSTITUTE FEBRUARY 2022 REPORT: "WHO SERVES MORE PEOPLE OF COLOR IN MORTGAGE LENDING: BANKS OR NONBANKS"

- ***". . .banks substantially underperformed nonbanks in serving borrowers and neighborhoods of color."***
- ***". . . 5.6 percent of bank loans were made in neighborhoods of color in 2018 and 2019, compared with 9 percent of nonbank loans."***
- ***". . . banks make proportionally fewer loans to LMI neighborhoods of color and borrowers than nonbanks, largely because. . . banks have a narrower credit box. . . bank loans tend to have higher average credit scores and lower average debt-to-income ratios."***

GREENLIGHTING INSTITUTE NOVEMBER 2020 REPORT

A Greenlighting Institute report "Home Lending to Communities of Color in California" concluded:

- ***"Women of color . . . are more likely to access a loan from a non-bank lender than from a mainstream bank."***
- ***"When Black, Asian and Latino low-income households do access home purchase loans, it is more likely to be from a non-bank lender."***
- ***"Non-bank lenders make twice as many home purchase loans to low-income borrowers as mainstream banks."***

URBAN INSTITUTE REPORTS SHOW IMBS DO BETTER SERVING FINANCIALLY CHALLENGED BORROWERS

- The average credit score for IMB agency mortgage loans is 23 basis points lower than for bank loans. [Source: December 2025 Urban Institute Monthly Chartbook - page 18]
- The average debt-to-income (DTI) for IMB Ginnie Mae loans is 3 percentage points higher than the average for bank loans. [Source:– December 2025 Urban Institute Monthly Chartbook - page 19]
- An August 2017 Urban Institute Report "Housing Finance at a Glance" found that ***". . . the median FICO score for nonbank originations has been consistently less than the median FICO for bank originations for all three agencies"*** (Fannie, Freddie and GNMA].
- That same report also noted that "the median DTIs of non-bank loans are higher, indicating the nonbanks are more accommodating in the DTI dimension as well as the FICO dimension."

FEDERAL HOUSING ADMINISTRATION (FHA) and VETERANS AFFAIRS (VA) LOANS

- **IMBs originate 90% of FHA loans. 83% of FHA purchase loans in 2025 were for first-time homebuyers.**
- **IMBs originate 95% of VA loans – zero down loans for veterans and active duty personnel.**

BANKS BROADLY RETREATED FROM MORTGAGE LENDING AFTER THE 2008 HOUSING CRISIS

- **Following the 2008 Housing Crisis, many banks abandoned or reduced their mortgage lending:**
  - Many banks imposed credit overlays (even for FHA-insured loans with limited lender risk) - limiting their mortgage loans to borrowers with higher FICO scores and no credit blemishes.
  - Many large banks terminated their correspondent lending business for smaller loan originators.
  - Many banks sold off mortgage servicing portfolios and scaled back their loan servicing.

IMBs STEPPED IN TO FILL THE LOAN GAP – SINCE MORTGAGES ARE ALL THEY DO

- **IMBs originate mortgage loans in all markets - good and bad - because that is all that IMBs do.** This is key to understanding why IMBs filled the gap left by the banks' retreat from mortgage lending (driven in part by Internal Rate of Return considerations) and by bank use of credit overlays (driven in part by a focus on cross-selling lucrative financial products to well-heeled customers).

IMB Mortgage Loans Have Stronger Consumer Protections than Bank Loans

IMB LOAN ORIGINATORS (LO's) HAE MUCH STRONGER REQUIREMENTS THAN BANK LO'S

In order to be licensed as a mortgage loan originator (LO) at a non-bank (IMB), every LO must:
(1) pass the SAFE Act Test,
(2) pass an <u>independent</u> background check, and
(3) complete 20 hours of pre-licensing SAFE Act courses.
In order to maintain that mortgage license, every LO at a non-bank (IMB) must complete at least 8 hours of SAFE Act continuing education courses each year.

<u>All</u> bank loan originators are <u>exempt</u> from all four requirements. Thousands of registered bank LOs failed the SAFE Act test – and their customers don't even know it!

<u>IMBs Are subject to Regulation by the CFPB – Unlike 97% of Banks</u>

IMBs are subject to regulation and supervision by every state in which they do business.

All IMBs are also subject to duplicative supervision and enforcement by the CFPB – while <u>97% of banks are below $10 billion in assets</u> and thus exempt from CFPB supervision and enforcement.

Commenting on this discrepancy, the June 2017 Treasury Report on regulation stated that ***"The CFPB's supervisory authority is duplicative and unnecessary"*** – calling it ***"unjustified as applied to non-banks"*** - noting that before Dodd-Frank, these companies were regulated by the states which continue to license and supervise them.

<u>IMB Loans Have Stronger Distressed Borrower Protections than Bank, PLS Loans</u>

The great majority of mortgage loans that small and mid-sized IMBs originate are federal agency mortgage loans (FHA, VA, RHS, Fannie Mae, Freddie Mac). These loans require use of effective loss mitigation options (e.g., partial claims and loan modifications) to keep people in their home.

The 2008 housing crisis show that severe harm to borrowers of non-regulate Private Securitization Loans (PLS), with no real loss mitigation requirements and borrowers' well-being taking second priority to bank protection of second lien mortgage loan interests. Some 13 years later, only limited progress has been made in protecting distressed borrowers in PLS loans.

Banks do a somewhat better job in serving distressed borrowers – but generally have don't have required application of standardized loss mitigation options that exist for federal agency loans. Notably, the Congressional COVID-19 requirement to offer a mandatory forbearance option to borrowers only applied to federal agency loans; it was only optional for bank portfolio loans.

<u>IMBs Subject to All Federal Consumer Mortgage Rules – Plus State Requirements</u>

IMBs are subject to the same federal consumer protection mortgage requirements as banks: Fair Housing, ECOA, HMDA, RESPA-TILA, QM, LO Comp, Anti-Steering, TRID, HOEPA, and others.

IMBs are also subject to consumer protection laws in every state in which they originate loans.

Demolishing the Myth that IMBs Are Risky

The 2008 Housing Crisis highlighted the financial risk of the nation's largest mortgage participants, such as Lehman Brothers, Bear Stearns, AIG, Countrywide, and WAMU. This culminated in trillions of dollars in federal financial assistance for these entities, and the collapse of the economy.
In contrast, virtually no federal bailout funds went to small or mid-sized IMBs during this crisis.

Yet various players in Washington continue to propagate the myth that IMBs are very risky.
There may be some legitimate concern that the largest IMB servicers are systemically significant.
However, the reality is that small and mid-sized IMBs pose little or no financial or systemic risk.

TAXPAYER RISK

Unlike banks, IMBs (1) do not have access to FDIC-insured, taxpayer backed deposits, (2) are not eligible for Federal Home Loan Bank (FHLB) advances, and (3) do not have access to the Federal Reserve window. Like banks, IMBs do underwrite mortgage loans directly or indirectly backed by taxpayers (FHA, RHS, VA, Fannie/Freddie) - but these programs have strict underwriting guidelines and lender net worth requirements, with penalties for faulty underwriting.

SYSTEMIC RISK

While dissolution or bankruptcy of one or a few large banks or IMBs could have market-wide consequences, the demise of a number of smaller IMBs poses no real systemic risk. The consequences of a smaller IMB going out of business is minimal: the IMB is no longer a loan source going forward and it is relatively easy to find a servicer to take over its servicing portfolio.

CONSUMER RISK

IMBs are subject to all federal mortgage rules and objectively are subject to more extensive consumer protections than banks (see page 15), since unlike banks: (1) every mortgage loan originator at an IMB must meet stringent SAFE Act testing and licensing requirements, and (2) all IMBs (no matter how small) are subject to CFPB supervision, exams and enforcement.

IMBs ARE HEAVILY REGULATED AND SUPERVISED

One claim feeding the myth that IMBs pose a major financial risk is the related myth that IMBs are not subject to any real financial regulation or supervision. **This claim is demonstrably false.**

The great majority of loans by small and mid-sized IMBs are federal agency loans (FHA, RHS, VA, Fannie Mae and Freddie Mac – with FHA, RHS, and VA loans securitized through Ginnie Mae. These programs have strong net worth and liquidity requirements and ongoing supervision. *[See the 4-page Chart on page 22 of this Report **(Regulatory Comparison – Non-Bank Mortgage Lenders and Banks)** that compares IMB and bank financial, supervisory, and regulatory requirements with respect to mortgage lending].*

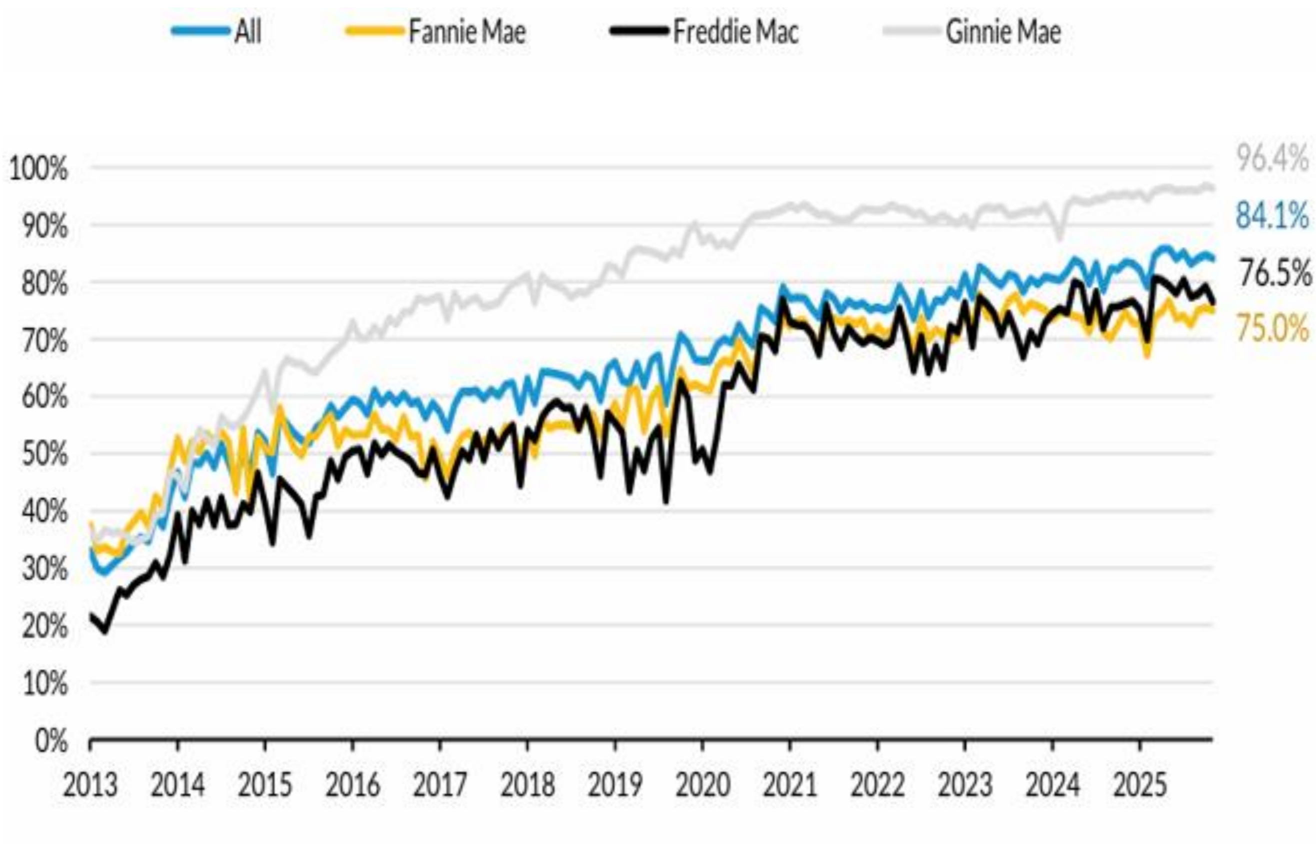
IMB SUPERVISION DIFFERS FROM BANKS – BECAUSE NO TAXPAYER BACKSTOP

IMBs are subject to regulations and supervision in every state they do business in. Fannie/Freddie have net worth and liquidity requirements for seller servicers. Ginnie Mae has net worth, liquidity requirements, and supervisory authority for issuers. FHA has Quality Control (CQ) requirements. IMBs are also subject to financial scrutiny and discipline by the warehouse lenders that fund them.

There is a simple reason banks are subject to federal safety and soundness regulation and IMBs are not.
Taxpayers backstop banks through FDIC-insured deposits, FHLB advances, and Federal reserve advances. In contrast, IMBs have no taxpayer backstop. Banks also engage in risky commercial loans and investments. In contrast, IMBs only originate and generally sell or securitize mortgage loans.

CHARTS

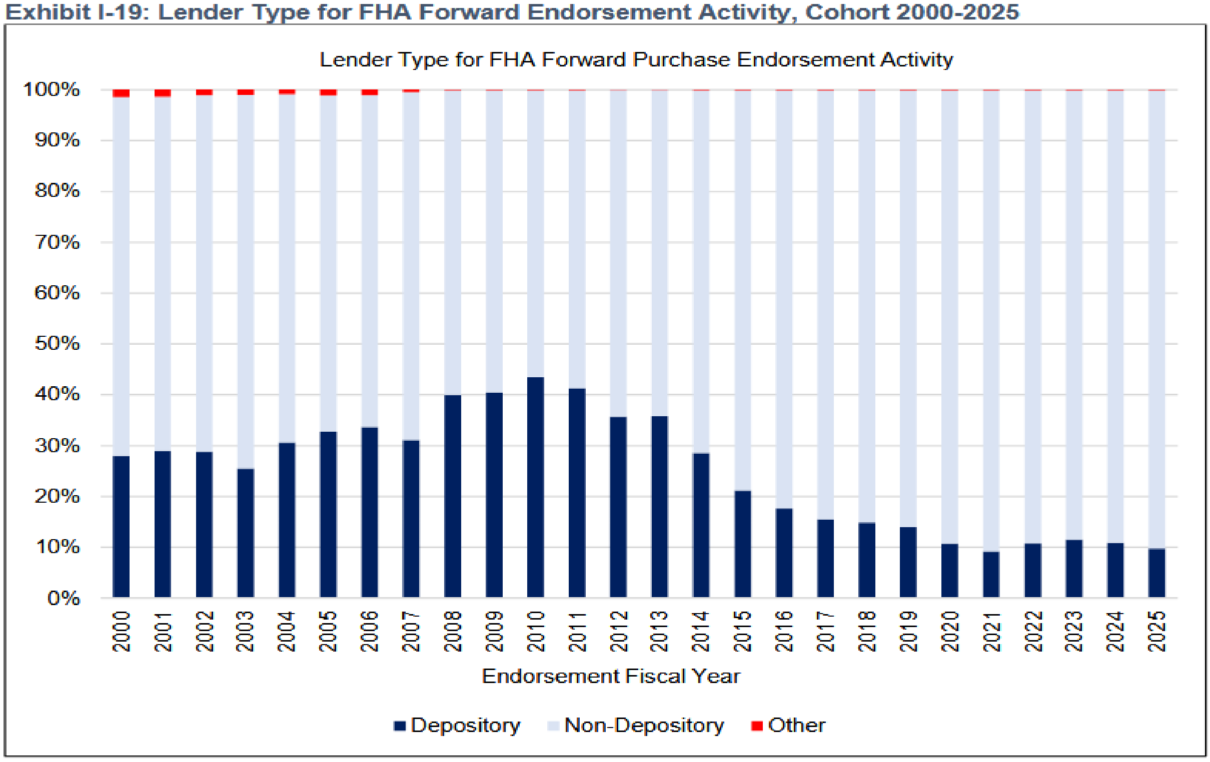
Nonbank Origination Share: All Loans



Sources: eMBS and Urban Institute.
Note: Data as of November 2025.

IMB Share of FHA Single Family Mortgage Originations

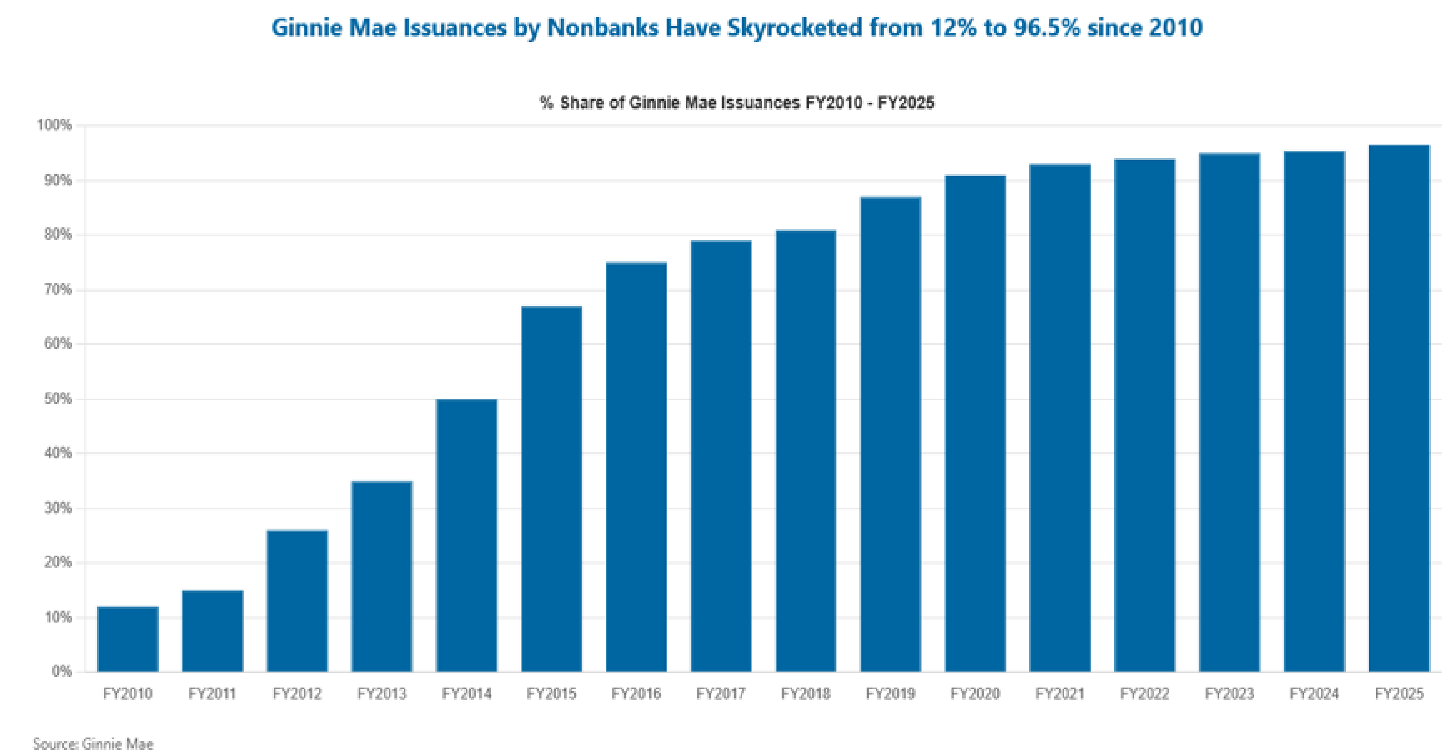
Exhibit I-19: Lender Type for FHA Forward Endorsement Activity, Cohort 2000-2025



Note: This exhibit accounts for all forward endorsements, including streamline refinance mortgages.
Source: U.S. Department of HUD/FHA, October 2025.
Refer to data table B-19 in Appendix B.

IMB Market Share Ginnie Mae Issuance

Ginnie Mae Issuances by Nonbanks Have Skyrocketed from 12% to 95% since 2010



REGULATORY COMPARISON:
NON-BANK (IMB) MORTGAGE LENDERS VS. BANKS

Single Family Mortgage Loans

CONSUMER REGULATION

	NON-BANKS	BANKS
SAFE ACT: Mortgage Loan Originator Requirements	Every individual Mortgage Loan Originator at a non-bank must: * Must be licensed under state law * Complete SAFE Act Mortgage Test * Complete 20 hours SAFE Act Pre-licensing Courses * Complete 8 hours/year of SAFE Act Continuing Education * Pass an Independent Background check * Additional state requirements	Loan originators working at a bank: * Must be registered as a loan originator * EXEMPT from SAFE Act Test * EXEMPT from Pre-Licensing Requirement [training required commensurate with job] * EXEMPT from Continuing Education * EXEMPT from independent background check; the bank must conduct its own background check
CFPB Supervision, Enforcement and Exams	All non-bank mortgage lender/servicers are subject to CFPB supervision, enforcement, and exams– for compliance with RESPA, LO Comp, servicing, and all other statutory mortgage requirements	EXEMPTION: 97% of all banks are exempt from CFPB enforcement [i.e. all banks with under $10 billion in assets are exempt]
Consumer Compliance by Primary Regulator	Non-bank lender/servicers are subject to supervision and periodic consumer compliance exams for federal mortgage regulations in every state they do business in.	IDENTICAL – except this supervision and exams are conducted by their banking regulator.
Dodd/Frank Provisions	Non-bank servicers are subject to all Dodd-Frank consumer protections – RESPA, TILA, LO Comp rules, QM, predatory lending prohibitions, and Reg Z and X servicing requirements (except that some exemptions exist for servicers servicing fewer than 5,000 loans)	IDENTICAL

REGULATORY COMPARISON: NON-BANK (IMB) MORTGAGE LENDERS VS. BANKS (Cont.)

FINANCIAL REGULATION
Mortgage Servicing Net Worth, Capital, and Liquidity Requirements

	NON-BANKS	BANKS
GINNIE MAE (GNMA)	* *Net Worth Requirement* - $2.5 million, plus 0.35% (35 basis points) of GNMA UPB, plus 0.25% of GSE and non-agency servicing. * *Liquidity Requirement*: 0.1% (10 basis points) of GNMA UPB, plus 0.07% of scheduled GSE UPB, plus 0.035% of actual GSE UPB, and 0.035% of non-agency UPB. Also, for Issuers >$1 billion UPB, additional 0.5% for loans held for sale and rate locks. * *Capital Requirement:* 6% Net Worth/Total Assets Ratio * *Risk-based Capital Requirement:* The basic 6% ratio is adjusted by excess MSRs over net worth and risk-based weighting of assets, such as 250% for Gross MSRs. * Quality Control (QC): Required QC plan - underwriting, origination, servicing, and secondary marketing * Must meet GNMA requirements for bond administration, delinquency guidelines, and others	* Generally, must be "Well Capitalized," in accordance with bank regulatory standards * SIMILAR * SIMILAR

Fannie/ Freddie/ FHFA	* *Net Worth Requirement*: $2.5 million, PLUS a dollar amount that represents 0.35% of Ginnie Mae servicing, plus.25% of all other servicing obligations. * *Liquidity Requirement*: 0.035% (3.5 basis points on total agency (combined Fannie, Freddie, and GNMA) serviced loans PLUS 2% of non-performing agency loans that exceed a 6% default ratio, plus 0.5% of hedged loan commitments. * Seller-servicer Agreement spells out origination and servicing responsibilities, including Quality Control * Audits of loan files * Repurchase Obligations are imposed if underwriting rules are not followed	* SIMILAR, except banks permitted to use assets and capital from their banking operations to qualify
Non-Agency	* There is no national standard; each state can set forth its own requirements. * CSBS developed model prudential servicing standards for non-bank lender/servicers, comparable to FHFA.	* Federal banks are not subject to state regulations regarding servicing net worth or liquidity requirements. * State banking requirements vary by state

REGULATORY COMPARISON: NON-BANK (IMB) MORTGAGE LENDERS VS. BANKS (Cont.)

Federal Agency Mortgage Loan Origination Program Requirements

	NON-BANKS	BANKS
FHA	* Net Worth Requirement of $1 million + 1% of FHA loans > $25m [up to max of $2.5 m] * FHA approval of a Quality Control (QC) Plan * Credit Watch – loan default performance must be within reasonable numerical bands * Individualized loan (PETR) reviews * Audits of FHA loans; and HUD IG audit authority * Indemnification of losses if lender does not follow FHA loan underwriting guidelines *Enforcement authority over FHA requirements	* SIMILAR
RHS	* Must be approved for loan origination or servicing by FHA, VA, Fannie Mae, Freddie Mac, or the Farm Credit System * Must have a quality control (CQ) plan * Periodic compliance reviews	* IDENTICAL. Banks also deemed approved if supervised by the FDIC, Federal Reserve, OCC, or Federal Housing Finance Board. * IDENTICAL * IDENTICAL
VA	“Non-supervised” VA approved lenders must have a minimum adjusted net worth of $250,000 and have unrestricted credit lines of at least $1 million	* SAME
Fannie/ Freddie/ FHFA	* See previous Servicing section for seller/servicer requirements.	* See previous Servicing section for seller/servicer requirements
Non-Agency	* PORTFOLIO – No mortgage specific regulations – except few non-banks originate mortgages for portfolio *MBS – Subject to securities regulation	* PORTFOLIO – no mortgage regulations * MBS – Subject to securities regulation

REGULATORY COMPARISON: NON-BANK (IMB) MORTGAGE LENDERS VS. BANKS (Cont.)

Financial Regulation of Mortgage Lenders as a Going Concern

	NON-BANKS	BANKS
Net Worth & Liquidity Requirements and Examinations	* Non-bank mortgage lenders are subject to net worth, liquidity, and bonding requirements set by each state in which they do business, plus periodic state exams. These requirements are generally lower than banks, since their deposits are not guaranteed by the FDIC (and ultimately federal taxpayers), as banks are. Moreover, non-bank mortgage lenders have a single product line – mortgage origination and servicing – and many predominately originate federally guaranteed loans. * Impact of non-bank lender going out of business: 1. Servicing advance obligations and MSR transfers– Per above, GNMA, FHFA/GSE, and state regulations protect consumers and the agencies with respect to these obligations 2. Indemnification/repurchase obligations– Per above, GNMA and FHFA/GSE regulations protect agencies from counterparty risk, and aggregators and securitizers set standards for non-agency loans to address their counterparty risk 3. Other Impacts of a non-bank failure: All losses are absorbed by private parties – the owner(s) of the firm (who may also have other assets at risk through a personal guarantee) and other parties (warehouse lenders, counterparty entities). There is no federal taxpayer impact. Thus, the main impact of a non-bank mortgage lender failure is that they will no longer be able to originate mortgage loans.	* Banks are subject to net worth and safety and soundness regulations, and periodic bank examinations by their respective bank regulator. These are driven by federal taxpayer exposure through a guarantee of their deposits by the FDIC. Regulation also addresses the risk of other products and activities that banks engage in, such as construction lending, small business loans, etc. * Impact of bank going out of business: 1. IDENTICAL 2. IDENTICAL 3. Other Impacts of bank failure: The FDIC guarantee can result in losses to the FDIC fund. During the 2008 housing crisis, the federal government also provided hundreds of billions in dollars of TARP loans to banks.